

In order to document the fact that sales to purchasers are sales for resale, sellers are obligated to obtain valid Certificates of Resale from their purchasers. See the enclosed copy of 86 Ill. Adm. Code 130.1405. (This is a GIL).

October 30, 2001

Dear Xxxxx:

This letter is in response to your letter dated June 20, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

I am looking for clarification of an exemption requirement that is published in the PUBLICATION (fifth edition). It is indicated that, a purchaser's registration number, a purchaser's resale number (both issued by the state of Illinois), or a statement that the purchaser is an out-of-state purchaser who will only sell to purchasers located outside the state of Illinois, is a required element to validate a certificate of resale. My question to you is when it is indicated that the out-of-state purchaser will only sell to purchasers located outside the state of Illinois is this to mean that, besides the sale at hand, they will not sell to another Illinois purchaser or is it to mean that they will only make sales to Illinois purchasers from a location outside of the state of Illinois. Your help in the clarification of this issue is greatly appreciated.

As you are aware, in order to document the fact that sales to purchasers are sales for resale, sellers are obligated by Illinois to obtain valid Certificates of Resale from their purchasers. See the enclosed copy of 86 Ill. Adm. Code 130.1405. Certificates of Resale must contain the following items of information.

1. A statement from the purchaser that items are being purchased for resale;
2. Seller's name and address;
3. Purchaser's name and address;
4. A description of the items being purchased for resale;
5. Purchaser's signature and date of signing;

6. Purchaser's registration number with the Illinois Department of Revenue; purchaser's resale number issued by the Illinois Department of Revenue; or, a statement that the purchaser is an out-of-State purchaser who will sell only to purchasers located outside the State of Illinois.

In interpreting the last requirement, the Department requires that the statement indicate that the purchaser is an out-of-State reseller who will resell only to customers located outside the State of Illinois. This being the case, the out-of-State reseller is not required to obtain a registration or reseller number from the State of Illinois. If they make sales to purchasers in Illinois, they would be required to obtain one of those numbers.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.